



STAYING connected



MoDOT & Patrol Employees' Retirement System

July 2013



- Important Announcement -

Annual Benefit Statements

For several years now, active state employees have been receiving a comprehensive benefit statement, which provides a summary of their state-sponsored benefits.

MPERS is pleased to announce that a similar annual statement has been developed for benefit recipients (retirees, survivors, etc.).

You will receive an individualized benefit statement each year when you receive your annual cost-of-living allowance (COLA). For example, if you receive your COLA in July each year, you will receive your benefit statement in July. The new benefit statement replaces the COLA letter you previously received each year.

See pages 2-3 of this newsletter for a sample retiree benefit statement.

2013 Monthly Benefit Payment Calendar

MPERS pays benefits on the **last working day** of each month.

Month	Date Paid
July	July 31
August	August 30
September	September 30
October	October 31
November	November 29
December	December 31

Direct Deposit:

If you receive your benefit payment by **direct deposit**, the funds will be deposited electronically in your account on the last working day of each month.

Paper Check:

If you receive your benefit payment by **paper check**, it will be mailed on the last working day of each month.

2013 Legislative Update

The 2013 Legislative Session came to a close in May. There were no bills passed that would affect your monthly benefit payments.

The information in this newsletter does not amend or overrule any applicable statute, Internal Revenue Code, or administrative rule. In the event of conflict, the applicable statute, Internal Revenue Code, or administrative rule will prevail.

Sample Retiree Benefit Statement

This is just a sample statement. Your statement will be personalized with your information.

3

Reminder of your:

- Retirement Plan
- Date of Retirement

2013 Personal Benefit Statement

Joe D. Retiree
123 Main Street
Jefferson City, MO 650

1

Retirement Plan: Closed Plan
Date of Retirement: 7/01/1997

www.mpers.org

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Online Secure Member Access (information at your fingertips 24/7)

- Log on to MPERS' website to gain **Secure Member Access** to your:
- Benefit payment history
 - Annual 1099-R information
 - Survivor/beneficiary designations
 - Forms to make various changes (e.g. tax withholding, direct deposit authorization)

How to Create Your Personal UserName and Password

1. Go to www.mpers.org
2. Click on **Secure Member Access** (on the left side-bar menu)
3. Click on **Create Login**
4. Follow the instructions to create your **UserName and Password**

4

How to create a login for
online Secure Member Access.

1

Contact **MoDOT/MSHP
Employee Benefits** with
medical or life insurance
questions.

2

Contact **MPERS** about
retirement and survivor
benefits.

2013 Personal Benefit Statement

Important Benefit Reminders and Who to Contact if You Have Questions

2



Medical Insurance – Life Insurance

Contact: Employee Benefits
Phone: (877) 863-9406 ext 3
Website:
www.modot.mo.gov/newsandinfo/benefits.htm

Medical Premiums

- Generally speaking, medical insurance premiums change each January.
- If you have medical coverage **through Employee Benefits**, you can expect to see the premium change on your December benefit payment. (The premium for your January medical coverage comes out of your December benefit payment.)

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Retirement – Survivor - \$5,000 Death Benefit

Contact: MoDOT & Patrol Employees' Retirement System (MPERS)
Phone: (800) 270-1271
Website: www.mpers.org

COLA Rates

- COLA rates are based on 80% of the change in the CPI-U of the previous year.
- The annual COLA rate will be announced around mid-January, which is when the U.S. Department of Labor releases the final numbers needed for the calculation.

Federal Tax Withholding

- The Federal tax tables change each January.
- Unless you withhold a flat amount, you can expect the tax withholding change on your January benefit payment.

Missouri State Tax Withholding

- Missouri residents may elect to have Missouri State income tax withheld from their benefit payments.
- MPERS does **not** withhold taxes for any other state.

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Dental and Vision Coverage

Contact: Missouri Consolidated Health Care Plan (MCHCP)
Phone: (800) 487-0771
Website: www.mchcp.org

Dental and Vision Premiums

- Generally speaking, the monthly premiums for dental and vision coverage change each January.
- If you have dental or vision coverage **through MCHCP**, you can expect to see the premium changes on your December benefit payment. (The premiums for your January coverage come out of your December payment.)

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Savings

Contact: State Deferred Compensation Plan
Phone: (800) 392-0925
Website: www.moderredcomp.org

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Contact **MCHCP**
with dental and vision
questions.

6

Contact information
for the State Deferred
Compensation Plan.

*Since your statement will be personalized with your information,
it may look different from the sample pictured.*

Sample Retiree Benefit Statement

This is just a sample statement. Your statement will be personalized with your information.

1

Itemized details of your monthly benefit payment and deductions.
(The amount shown includes your COLA.)

2

COLA rate and amount you are receiving.

3

Reminder of the beneficiary(ies) you designated.
(If applicable)

4

Need to know information:

- Pop-up provision
- Marriage or divorce after retirement
- Reemployment

2013 Personal Benefit Statement

1

Monthly Benefit Payment and Deductions

- The following is an itemized summary of your monthly benefit payment as of <<month>><<year>>.
- The gross benefit amount below includes your COLA.

Gross Benefit (before deductions)
Monthly Base Benefit\$1,917.50
Total Gross Benefit.....\$1,917.50

Deductions
Federal Income Tax\$419.56
Missouri State Income Tax100.00
Medical Premiums118.00

Net Benefit (after deductions).....\$1,279.94

5

Benefit Payment Option

- Your benefit payment option determines if a survivor benefit will be payable to anyone after your death.
- Under this option, your eligible spouse will receive 50% of your benefit each month for life.

Option Elected..... Joint & 50% Survivor

2

Cost-of-Living Adjustment (COLA)

- The COLA rate is determined around mid-January each year.
- The COLA rate is based on 80% of the change in the change in the Consumer Price Index (CPI-U).
- As long as you receive a MPERS benefit payment, you will receive an annual COLA.

2013 COLA Rate2.526%

2013 COLA Amount.....\$47.24

6

Federal and Missouri State Tax Withholding

- Your benefit payment from MPERS is taxable income.
- The Federal tax tables change every January.
- You may change your tax withholding election(s) at any time.
- If you have questions regarding how much to withhold, we recommend that you contact a tax professional who can review your entire financial situation. **MPERS' staff is not qualified to provide you with tax advice.**

Federal Tax Withholding Election
\$419.56 per month

Missouri State Tax Withholding Election
\$100.00 per month

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Payment Method

- The benefit you receive from MPERS is paid on the last working day of each month, in the method listed below.

Payment Method Elected Direct Deposit

3

Beneficiary Designations

Keep Your Beneficiary Designations Updated!
Our records indicate that you have designated the following primary beneficiaries to receive the type of benefit listed. If more than one beneficiary, the amount will be divided equally. (Contingent beneficiaries are not listed on this statement. However, you can view them online through Secure Member Access.)

Retirement (Survivor) Benefit
Alice Retiree

Final Monthly Benefit Payment
Daisy Retiree, Coop Retiree

\$5,000 Death Benefit
Alice Retiree, Daisy Retiree, Coop Retiree, Harold Retiree, Dorothy Retiree

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Final Payment of Monthly Benefit (for the month of your death)

- You are entitled to the benefit payment for the month in which you die.
- The payment will be deposited directly into your account as usual, **provided the account remains open until the payment is received.**
- If the account gets closed too early, MPERS will issue a paper check for the final payment.
- You may designate a beneficiary to receive your final benefit payment from MPERS.
- If a beneficiary has not been designated, the final payment (if paid by check) will be paid in the following order to your:
 - o Surviving spouse (to whom you are married at the time of death)
 - o Surviving children (divided equally)
 - o Surviving parents (divided equally)
 - o Surviving brothers and sisters (divided equally)
 - o Your estate

2013 Personal Benefit Statement

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Pop-Up Provision

You elected a Joint and Survivor benefit payment option at retirement. If your spouse predeceases you in death, your benefit payment can revert (pop-up) to the higher Life Income Annuity amount.

Marriage After Retirement

- You elected a Joint and Survivor option at retirement. If your spouse dies and you later remarry, you will be allowed to provide a survivor benefit for your new spouse.
- You will have **one year from your date of marriage** to submit a *Designation of New Spouse* form to elect one of the Joint and Survivor options and name your new spouse as the beneficiary.

Divorce After Retirement

- Your monthly benefit payment is considered marital property.
- If you divorce after retirement, your spouse may be entitled to receive **up to 50%** of your monthly benefit payment. (Detailed information is contained in a "Divorce" brochure, which is available on MPERS' website.)
- If you divorce after retirement, the spouse named on your retirement application is still entitled to receive the monthly survivor benefit after your death (even if you remarry).

Reemployment After Retirement

- You can return to work in any job **EXCEPT** a "benefit eligible" position covered by MPERS.
- The employer (MoDOT or MSHP) determines if the "position" is benefit eligible or not.

5

Reminder of the benefit payment option you elected.

6

Your Federal and Missouri State (if applicable) tax withholding election.

8

How your final benefit payment will be handled.

7

How you receive your benefit payment each month (direct deposit or paper check).

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Board Information



March 14 and June 20 Board Meeting Summaries

As of March 31, 2013, MPERS had a net asset value of \$1.66 billion. The fund continues to perform very well, as indicated below:

1st Quarter 2013 (January - March)

4.35% investment return

1-Year (April 2012 - March 2013)

12.33% investment return

The Board meetings have focused primarily on a Five-Year Experience Study by our actuary. The experience study reviews two primary assumptions (over the last five years) that are used in preparing our annual valuations. The demographic assumptions include a variety of information regarding our membership (e.g. new hires, retirees, deaths, etc.). The economic assumptions include an anticipated investment rate of return, price inflation and wage inflation. The Board adopted the following economic assumptions: 7.75% investment return, 3% price inflation, and 3.5% wage inflation. This is important because it demonstrates the Board's continued effort toward funding the System appropriately.

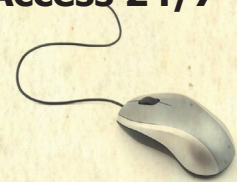
www.mpers.org

Secure Member Access 24/7

*my***MPERS** online

Lets you...

- View your **monthly benefit payments**.
- Submit a **W-4P Substitute** tax withholding form electronically to MPERS.
- Submit a **Direct Deposit Authorization** electronically to MPERS.
- View your **1099-R** tax information.
- Elect to receive MPERS correspondence (*like your monthly payment notices*) electronically.
- Download forms and publications.



How to Register for myMPERS **Online Secure Member Access**

1. Go to **www.mpers.org**
2. Click on the **myMPERS Login** button in the left menu.
3. Click on **Create Login!**
4. Provide the requested information to create your personal **Username** and **Password**.
5. Click **Submit**.